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# ***Does new federal policy threaten social housing?***

by Lynn Hannley

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During 1986, the federal government introduced two major changes to its social housing programs which may have a significant impact on the nature of social housing programs and program beneficiaries:

- the targeting of the programs to households in need;
- the formal devolution (or turning over) of program delivery to provincial and territorial governments

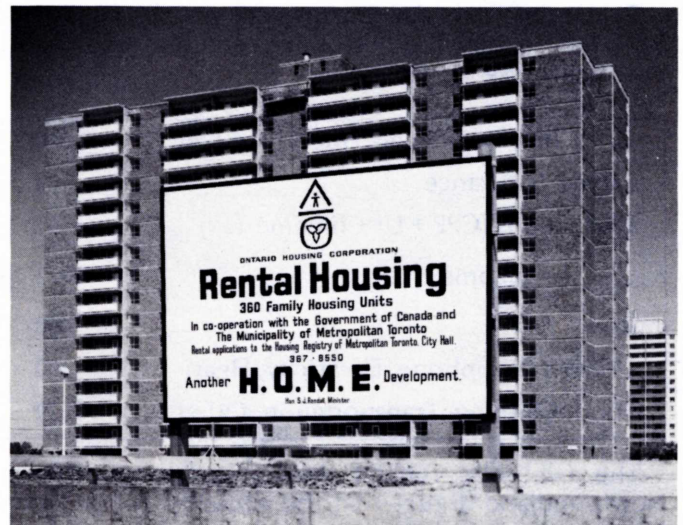
A short historical review will help place these changes and their potential impact in context.

Early postwar social housing was focused primarily on developing temporary public housing for households to occupy until they acquired the resources to buy their own home. This housing was built to minimum standards to ensure that it would not be viewed as competition with the private market.

Programs to encourage home ownership were also part of the early postwar housing policies. Despite the social and home ownership programs, housing demand far exceeded supply, and by 1968 concerns over the plight of Canadian cities led to the establishment of the Task Force on Housing and Urban Development.

One of the immediate outcomes of the Task Force was

a moratorium on the development of large-scale public housing projects as these were seen to produce low-income ghettos. By 1973 the federal government introduced new legislation that would “not only make housing accessible to people with low income, but



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***A housing project from the 1960s before the introduction of income mixing.***



would give these people a choice about the kind of housing that they would occupy and the form of tenure". This new policy thrust introduced income mixing within housing projects to encourage greater dispersion of low-income families within the community. Subsidizing of both low- and non-low income households was integral to this concept.

### Growth of non-profit housing in the 70s

The introduction of this new legislation opened the door to a number of community-based non-profit sponsors as well as municipalities. Modifications were introduced to the social housing programs in 1978 which were to make "non-profit programs more attractive to the users: penetrate more deeply down the income range, and to provide for an income mix in projects". The changes resulted in a shift to private insured lending which meant that development was no longer dependent upon public capital.

In addition, maximum unit prices replaced maximum unit sizes as a cost control mechanism. This encouraged sponsors to develop maximum size and quality in their projects. Unlike the previous non-profit program, which depended on provincial participation to provide assistance for low-income households, the new program was a unilateral federal program. No longer dependent upon the provinces, non-profit sponsors developed housing projects in most regions of the country. These new programs, developed and delivered by the federal government through the Canada Mortgage and Housing Corporation (CMHC), made the nature of non-profit projects and household eligibility standards nationally consistent.

In 1985, the federal government tabled a consultation paper on housing, which was supposed to be a "starting point for a fundamental review of housing policy" and to "ensure a complete and balanced public discussion on housing and the role of government." Unfortunately, the focus of the consultation paper was very limited; it focused primarily on government funding of social housing and not on other major issues such as the costs

of private sector subsidy programs and federal tax exemptions for housing expenditures. As a result, the consultation process did not provide a balanced and complete public discussion on housing and the role of government; rather, it focused on ways of reducing expenditures for social housing.

Although the federal government, through CMHC, was the main post-war delivery agent, it did attempt to involve the provinces in the delivery of public housing. In 1964, the federal government introduced new legislation that enabled it to provide loans of up to 90 percent to the provinces to build provincially owned public housing. This policy thrust was seen by some as the beginning of the transfer from the federal government to the provinces.

## ***In the 70s, federal policy encouraged non-profit housing across Canada***

A number of provincial governments established housing corporations subsequent to the introduction of this legislation, but the shift to the provinces was not to take place for a number of years. Significantly, all but one of the provisions introduced in 1973 were unilateral federal programs, as were the provisions in 1978. In addition, during the 1970s a number of provinces established their own unilateral programs. In spite of a number of federal-provincial consultations, it was not until this last series of consultations that the shift in responsibility has been formally transferred to the provinces.

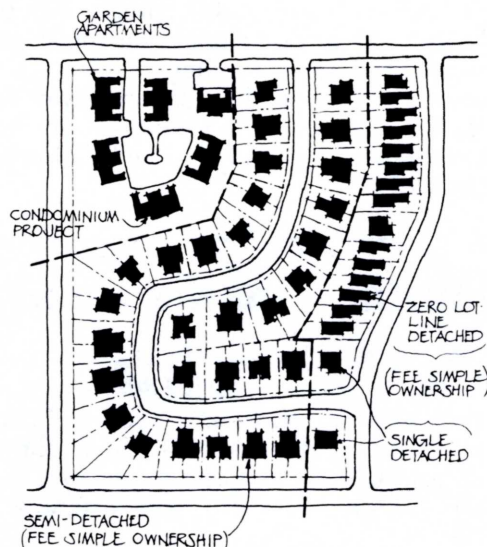
### New directions under the current government

In 1986 the federal government introduced its New Housing Directions which, among other things, indicated that all social housing programs will be targeted to those who cannot obtain suitable and adequate housing on the private market. Households in this situation are defined as those in "core need". Initially, the concept of core need was designed as a planning tool to determine how federal dollars would be distributed. It was the first planning tool that took into account three factors relating to housing need: affordability, housing quality, and suitability. Unfortunately, under the new directions, only core need is used to determine individual household eligibility for specific social housing programs. There is no longer a sliding scale to provide federal assistance for those households with incomes slightly above core need levels.

Households in core need include those who:

- occupy a crowded or inadequate dwelling, and who currently pay less than 30 percent of their income for shelter but for whom basic shelter costs for an adequate and suitable dwelling available in their market area would consume 30 percent or more of their income, or
- pay 30 percent or more of their income for shelter and for whom an adequate and suitable dwelling available in their market area would consume 30 percent or more of their income, or
- have a need for special purpose housing.

In order to establish the income level of those in core need in each municipality with a rental market, average ►



***Mixing housing types within a neighbourhood encourages income mixing and a diverse community.***



market rents are calculated. These rents are based primarily on the CMHC annual rental market survey and include the total spectrum of rental housing, not just buildings with vacancies. These rates are adjusted to include utility costs. The average market rents established for the different unit types are then used to calculate income thresholds, assuming that a household pays 30 percent of its annual income on housing. The chart illustrates the income thresholds for units of different size in a number of major metropolitan areas.

### Core Need Income Threshold (annual income) For Selected Municipalities

City	Bedroom Count				
	1	2	3	4	5
HALIFAX	18,000.	22,000.	25,000.	26,500.	27,500.
TORONTO	23,000.	27,500.	30,500.	34,500.	37,000.
WINNIPEG	16,500.	20,500.	25,000.	26,500.	28,500.
EDMONTON	16,000.	19,000.	21,500.	24,000.	25,000.
VANCOUVER	18,500.	24,500.	28,000.	31,500. (4+)	

Source CMHC 1987

The following national occupancy standards are used to determine the unit size and specific income threshold for a particular household:

- a maximum of two and a minimum of one person per bedroom;
- parents are eligible for a bedroom separate from their children;
- household members aged 18 or over are eligible for a separate bedroom unless married or otherwise cohabitating as spouses; and
- dependents aged 5 or over of opposite sex do not share a bedroom.

Based upon these standards, a household of four with two dependent children under 5 would fall into the income category established for a two-bedroom unit, while a household of four with two dependents over 5 would fall into the income category for a three-bedroom unit. Households whose incomes exceed that established for their household type are not eligible. However, there is some flexibility built into the program in that 10 percent of the household can have incomes above the thresholds as long as they are otherwise in core need.

### Shifting away from income mixing

The major impact of targeting all social housing programs to those in core need is the shift away from the concept of income mixing. Unless funds are provided by the province, as in Ontario, all residents of new social housing projects must be in core need. In addition to the social policy issues this raises, it could also pose practical problems for delivery agents. For example, neighbourhoods may begin to resist the establishment of housing projects as they did in the past.

The fact that the income thresholds are based upon average market rents and not the actual market rents of specific projects is problematic. Households with incomes above the thresholds will no longer be eligible for assistance. However, these households may be unable to find suitable, adequate, and affordable housing. Under the new cooperative housing program, for example, where 30 percent of the households will be eligible for rent supplement assistance, there is often a gap between the core need income threshold and the income required to pay the maximum housing charge. While the method of determining who will be eligible for social housing assistance is interesting from an academic perspective, it effectively excludes households who may require assistance.

Devolution of program delivery has both positive and negative potential. On the positive side, a province can supplement the basic federal programs, as is done in Ontario, where the provincial government provides additional assistance to non-profit sponsors to enable them to assist more households and to assist those above the core need income thresholds. On the negative side, since a province can choose which programs it will

### Neighbourhoods may again begin to resist housing projects

deliver, not all programs may be delivered across the country. Alberta, for example, has chosen not to deliver the non-profit program, thereby curtailing non-profit development. In addition, the provinces can impose additional household eligibility criteria, with the result that a household may be eligible for social housing in one province and not in another.

It is too early to assess the permanency of these two changes. Are they merely a temporary aberration, or have they set the direction for social housing programs for the future?

### New publications from the Vanier Institute of the Family

**Explaining Fertility Decline in the West (With Special Reference to Canada): A Critique of Results from Social Sciences**, by Françoise Lodh, 41 pages plus bibliography, \$5.00.

**Of Birds, Bees, and Petri Dishes: Creating Life in New Ways—Some questions about reproductive technologies**, 20 pages, \$2.50.

Resource lists on family issues, \$1.00 per list: **The One-parent Family**, 11 pages, 1988; **Children of Divorced Parents**, 1988; **Child Abduction**, 2 pages, 1987; **Family & Television**, 4 pages, 1987; **Remarriage & Reconstituted Families**, 7 pages, 1986; **Teenage Pregnancy**, 7 pages, 1986; **Child Custody**, 3 pages, 1986; **Childlessness**, 3 pages, 1985.

*A complete list of VIF publications is available free of charge.*



# Toward a New Agenda for Family Housing Policy

by C. David Crenna

*C. David Crenna is a consultant with eighteen years' experience in the housing field. The views expressed in this article are entirely his own.*

Canadians concerned about family policy recognize the vital importance of affordable housing to the success of many other measures. Housing costs can wear away the effects of transfer programs, and deteriorated housing conditions contribute to everything from illness to sagging family morale.

Perhaps because they can so readily see the benefits of brand-new surroundings provided by "social housing" projects geared to incomes, family service agencies appear firmly attached to production as the answer to our current housing difficulties. Yet it becomes clearer with each passing month that *building* social housing will most likely never achieve the goal of decent, affordable shelter for everyone; it will almost certainly involve a significant wastage of resources. The ground is shifting to place issues of housing *distribution* front and centre.

The rate at which social housing is provided is clearly insufficient to make substantial progress if it is the sole instrument used. Suppose all of the 17,500 units allocated annually reached those defined as being in "core" housing need (See page 9). This means those households having to spend more than 30 percent of income to obtain suitable and adequate housing in their locality. There are 513,000 or more such households according to CMHC, including 174,000 families. It would take at least 29 years to give every such household assistance in this manner at current rates of production . . . clearly much too long.

This presumes as well that the households in core need are a fixed number, and that the process of offering new housing units to those in need will attract no net additional applicants. Both appear highly optimistic assumptions, based on all we know about benefit programs.

One obvious response to this situation would be to increase dramatically the supply of social housing units. If 10 rather than 29 years were considered "acceptably" long for those in need to wait, then a 50,000-units-a-year program would be called for. This would require an increase in the annual commitments to non-profit and co-operative housing projects to \$240 million, from \$82 million, based on 1986 figures. It would cause an exponential increase in the total non-profit and co-operative subsidy budget, which is already fast approaching the billion dollar mark.

In the midst of fiscal restraint, such a commitment is very unlikely to be forthcoming. Even if it were, however, there are serious questions to be raised about its potential effectiveness.

Past major increases in social housing production have



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***The satisfactions of building a tangible project are undeniable.***

usually coincided with difficult economic times, and have had a major job-creation rationale to carry them past other objections. By contrast, recent housing markets have been clearly overheated, especially in Central Canada, where the bulk of the social housing need exists. Production levels in 1987 were at a ten-year peak. More than one new dwelling was being added for every person added to population.

Still more demand in such a situation would be a recipe for inflation and scarcity of skilled workers, materials and land. Few builders could handle more work, and very few would be motivated to accept the lower profit margins social housing implies. Indeed, fewer of today's units are probably being constructed in "affordable" price ranges than ever before: probably less than 7 percent, compared to around 20 percent when we last experienced such production rates in the mid-1970s.

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## ***In 1987 Canada added more than one dwelling for every person added to the population***

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There is an obvious problem in the present distribution of available resources for new housing construction. The \$14 billion devoted to this purpose in a year are going more and more for large units: CMHC figures show four times as many really large single-detached homes being constructed in 1986 as in 1976. Social housing programs could help to allocate these construction resources more equitably, but would be a marginal factor in doing so, even at 50,000-units-a-year. Even that level would only represent 20 to 25 percent of annual production, and 0.6 percent of the existing stock each year.

It would be much more promising to consider ways in ►



which the goals of social housing could be attained through the redistribution of some of the 9.6 million dwellings which exist today; new construction will always be a marginal factor. About 85 percent of the dwellings we are likely to need in the year 2006 are already here. Only a much more rapid rate of population growth or of demolition will change this picture significantly.

The available data suggest that the potential for getting affordable housing from the existing stock is large.

In 1986, almost 600,000 single-detached family dwellings were occupied by just one person. There were 1.5 million single-detached family dwellings with two persons in them. In 1987 406,000 dwellings of 6 rooms or larger had a single occupant. The trends have been more and more in this direction every year.

The numbers here tell a remarkable story. If we total the 600,000 single-detached dwellings occupied by one person and the 1.5 million occupied by two people, it gives us 2.1 million single-detached homes occupied by only one or two persons. Assuming one spare bedroom per dwelling and dividing those 2.1 million bedrooms by the number of homeless people in shelters in Canada on a given night in January — approximately 10,000 according to the Canadian Council on Social Development study (See "Homelessness in Canada: Families") we find approximately 200 spare bedrooms for each homeless person!

Yet the City of Ottawa non-profit housing corporation, to give one example, is spending \$68,000 a unit to construct a project for homeless persons in the farmer's market area. Even that has been subject to local objections on grounds of impact on surrounding property values.

Indeed, resistance to social housing, to conversions

which add an apartment, to basement apartments, to small "bachelorette" units, and even to shared living arrangements is reaching a crescendo in many municipalities, just as the "legitimate" reasons for resistance to development have lost the most substance.

For example, urban housing designed to fit in with the existing fabric of the community has probably never been better than during the 1980s. Rates of violent crime against persons are falling as the population ages. The numbers of children per family with children are smaller. Municipal coffers are fuller than they have been for decades. Municipalities as a whole have been in a surplus position for a majority of the past seven years.

## At least 200 spare bedrooms in Canada for every homeless person

Despite the potential difficulties of housing redistribution measures, they appear to be worth trying on a large scale, not in place of, but complementary to social housing problems.

No one is talking about forcing anyone to do anything. The whole approach is one of organization and incentives which help people to do what they would like. Many elderly people living alone would like to have company, if they could also have security and privacy. Many young couples struggling to meet mortgage payments would like to have extra monthly income from an apartment. Many church groups with virtually unused land and buildings would like to offer them to those in need.

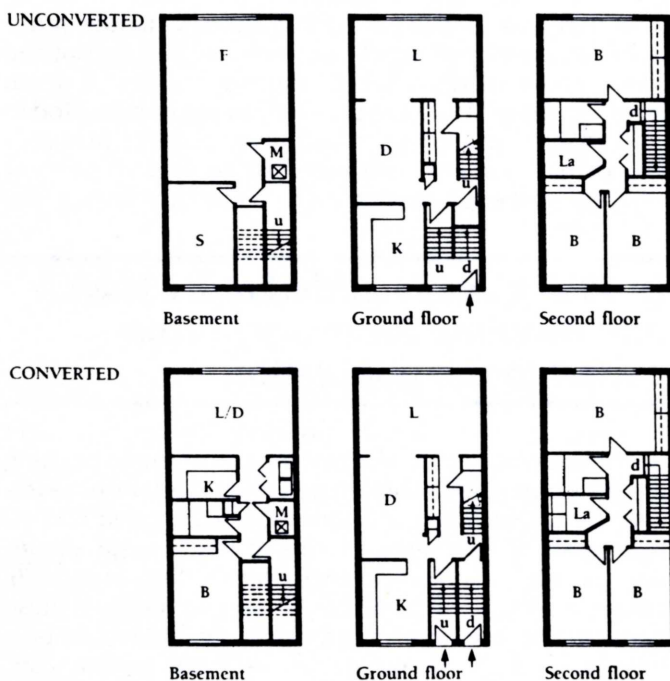
The missing ingredient is concerted attention to redistribution as a strategy. Programs currently available for this purpose either operate on a pilot-project scale or straggle along in the wake of social housing efforts. The institutional arrangements for carrying them out in volume do not exist, much as non-profit and co-operative structures hardly existed in 1973 when those programs began to take off.

What are called "delivery" strategies for housing distribution programs i.e., how people actually get their hands on funds, how contractors are engaged to do the work, how people actually find out about and move into the units offered, may be quite different from those used for social housing production.

Housing distribution measures need to be presented to people on a door-to-door basis, with great sensitivity, and minimum practical "hassles" for those involved. Lengthy journeys, intimidating offices and application forms, long delays, and big words have no place in such a system.

Social housing has been able to get off the ground because government bureaucrats have helped create miniature, and in some cases, large, bureaucracies to do the intermediate work of development and project management. One can argue persuasively that these are more responsive than provincial, federal or large-scale private rental agencies would be. But they are bureaucracies nonetheless and have interests of their own.

"Street-level" delivery would obviously still need to have full-time professional back-up, but it could operate in a manner more akin to the voluntary community association or the "detached worker".



**Plans for conversion of a townhouse to add a basement unit.**



The satisfactions of *building* a tangible project to help those in need are undeniable: they are a fundamental part of why social housing is so popular with certain groups. But there are gratifications associated with implementing housing distribution measures too — instant gratification — since the solution of a given

### ***Housing distribution measures need to be presented on a door-to-door basis***

family's problem may be achieved in a week or an afternoon. By contrast, production-based solutions typically require eighteen months to two years from

inception to occupancy. Those on the front lines of shelter referral agencies and hostels can attest to the value of having affordable, decent places NOW.

It is time to consider a basic shift in strategies for resolving family housing problems, to give at least equal place to various techniques for securing underused dwellings from the existing stock. Otherwise, we face a scenario of mounting neighbourhood resistance to new developments, mounting subsidy costs (already \$5,000 + per unit per year), and declining rates of progress toward the goal of decent, affordable housing for all. Such new techniques will have surprising "side effects" including a probable rediscovery of what it means to live in diverse and caring communities.

## **IN BRIEF**

### ***Film a survivor's examination of incest***

by Ish Theilheimer

A true story about incest and family violence exorcises ghosts not only for the family concerned but for victims of abuse everywhere.

In "To a Safer Place", an hour-long production of the National Film Board's celebrated Studio D, 35-year old Shirley Turcotte exhumes her family's traumatic past. The film follows her journey home to talk with her mother, siblings, and former neighbours about her

father's past violence and how to cope with its effects.

The film powerfully speaks to two audiences. It confronts the general public with the reality of incest and child abuse and the destructive, long term personal effects they have on the victims.

Perhaps more importantly, Shirley Turcotte speaks to victims of incest, telling how she survived and suggesting that others can.

The film was an act of bravery for Ms. Turcotte — who co-directed and appears in it — and her family. The family members talk openly about their experiences, how they were humiliated, abused, and isolated both from one another and from society at large.

Shirley and her sister were sexually abused from the time they were small. Both their brothers were beaten regularly. The children were confined to the basement and not allowed to bathe or to have clean clothes.

Both they and their mother endured out of fear, guilt, and a complete lack of support from society at large. When they or others reported the abuse to authorities, they were not believed, even when Shirley's sister told the parish priest that her father had impregnated her.

The indignities these people suffered and the scars inflicted are candidly presented. But the inspiration lies in their struggles to survive. Shirley's journey of self-discovery was a lifeline to some family members such as a brother with a long jail record and her mother. Shirley had always been angry with her mother but she came to realize that "Mum was a victim too".

Shirley was lucky. With the help of a few good friends, a sympathetic therapist and a loving husband, over time she was able to unlock and work through the bad memories, pain, guilt, and anger. Later she had a son, who is now six.

She now works with other survivors of incest through support groups and as a director of Support, Education and Prevention of Sexual Abuse of Children (SEPSA). Mutual support helps women break down the sense of isolation and guilt resulting from incest.

"For most of my life I thought it only happened to me, that it was my fault," she says in the film. The support network helps women to see that they are not alone and to find a sense of self-worth.

The film's climax occurs when Shirley visits the basement in which she had been confined as a child. It was a scene that must have been terribly difficult for her to shoot.

She recalls that when her father used to come downstairs for her, "I learned how to leave my ▶

